

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
SATURDAY- -SEPTEMBER 25, 2010- -9:00 A.M.

Vice Mayor deHaan convened the meeting at 9:04 a.m.

ROLL CALL – Present: Councilmembers deHaan, Gilmore, Matarrese, Tam and Mayor Johnson – 5.

[Note: Mayor Johnson arrived at 9:09 a.m.]

Absent: None.

AGENDA ITEMS

(10-461) Evaluation of City Assistance to Alameda Unified School District (AUSD) in Order to Offset Some or All of the Costs in Operating the Toddler and Before/After School Program, Presently Operated by AUSD. RECOMMENDATION: Direct staff to analyze any potential funding and/or operational solutions that the City can offer in order to continue service delivery of one or both of these programs.

The Interim City Manager and School Superintendent gave a brief presentation.

Vice Mayor deHaan inquired whether funding for the program is traditionally cut first.

The School District Superintendent responded not in the past few years.

The Interim City Manager continued the presentation.

Mayor Johnson stated the Council and School Board Subcommittee is in favor of the recommendation and is bringing the matter forward to allow the rest of the Councilmembers to give direction.

Councilmember Matarrese stated the School Board has a risk right now because of the requirement to notice layoffs; the Subcommittee wanted to determine how the City could help mitigate the School Board's risk and keep the program going while the City and School work out the long-term future of the program.

Board Member Spencer stated the School Board has agreed to a 45-day extension twice; that she is looking for a shared risk between the School District and the City to protect the program.

President Mooney stated the School District would like the City Council to commit to finding approximately \$200,000 for [running the program for] three months; the School District has reporting requirements to show the State and County the funding source.

The Superintendent stated the School District has to be cautious regarding funding; the District could lose State funds if the City gives money to the District; staff has to work to ensure the money does not end up reducing the District's State funding.

The School District Director of Fiscal Services stated there are unknowns about whether the Community Development Block Grant (CDBG) funding would be a transfer, donation or loan; then the District has to determine whether receiving the funds would reduce its [State] funding.

The Interim City Manager questioned whether the funding could be a reimbursement; stated CDBG funding has to meet requirements; no one wants the funding to end up being a subsidy for the State; providing the funds would not be a loan.

Mayor Johnson stated general direction can be given if a funding solution, without detrimental impacts discussed, can be found; the situation has been created by the State; the State takes money and then ties the City's and School's hands regarding funding sources.

Vice Mayor deHaan stated the funding would be a stopgap; inquired whether funding the program has been an on-going problem; stated that he recalls problems 10 years ago.

The Superintendent responded past discussions focused on whether the School District should be in the business of pre-K and day care; stated the District has provided subsidies to the program in the past; the District is trying to make the program funded solely by money that comes from the State.

Board Member Spencer noted that the District received \$50,000 for the program from the County in the past.

Board Member Jensen stated the School District could reimburse the City if the State includes [funding for] the program when it adopts the budget.

Mayor Johnson stated the funding would be a short-term stopgap measure, and would not be a long-term solution; time has to be taken to determine if the program needs to be modeled into something different.

Board Member Jensen stated there are ways to make the program more efficient; inquired whether expenses could be reduced even further and whether State requirements can be met with fewer teachers and staff.

The Superintendent responded in the affirmative; stated the District is also reviewing whether the program can be relocated.

Councilmember Gilmore inquired whether the City is looking at using CDBG funds; further

inquired whether the funds were allocated months ago and whether re-allocating the money requires noticing.

The Interim City Manager responded administrative funds and unused funds are left over; stated staff has reviewed the cash balance; \$210,000 is needed for three months; the City is looking at other eligible funds that could be used for the program; CDBG funds for next year would have to be prioritized if the State does not fund the program and there is way around the certificated teacher requirement.

Councilmember Gilmore inquired whether the current program is fee based or fully subsidized by the School District and State; further inquired whether the program would be fee based if the City were to provide the service going forward.

The Interim City Manager responded the City's ability to do so would be based on the economics of the children in the program; stated fee based, full cost recovery is not expected.

The Superintendent stated a family pays from \$2 to \$16 per day.

Mayor Johnson stated right now, the goal is to solve the immediate problem; the State has not adopted its budget, which leaves the program without money; the City is trying to help the program survive until the State adopts the budget.

President Mooney noted that the Governor is proposing taking the funds away.

Councilmember L. Tam stated that she appreciates the idea of pooling resources; she is unclear about the urgency; the City has to go through a hearing process to reallocate funds; inquired how the timing fits with the District's need.

The Superintendent responded the School Board would take action Tuesday night on whether or not to fund the program; listed options.

Vice Mayor deHaan inquired whether the School District would be willing to do another 45-day extension, to which the Superintendent responded that matter is up to the Board.

Vice Mayor deHaan stated the program costs \$850,000 annually; inquired how much is the CDBG annual funding, to which the Senior Management Analyst responded \$1.4 million.

Speakers: Mary Rudge, Alameda; Teresa Lee, Alameda; Caroline Topeé, Alameda; William Smith, Renewed Hope Housing Advocates; Gregory Matthews, Alameda; and Helda Moya, Alameda.

Board Member McMahon gave a brief history of the program funding.

Mayor Johnson inquired whether the Council could make a motion, to which the Interim City Manager responded in the affirmative.

Councilmember Gilmore acknowledged the difficulty the School District faces putting together its budget; stated the School Board's core mission is providing education from kindergarten to twelfth grade; however, cutting the program would be difficult.

Councilmember Tam moved approval of the staff recommendation.

Vice Mayor deHaan seconded the motion.

Under discussion, Councilmember Matarrese stated the motion should include that the City's contribution should not jeopardize State funding and end up subsidizing the State; said direction applies to every item on the agenda today.

Vice Mayor deHaan stated the long-term solution has to come from the School District; the City will be available to help in any way possible.

Board Member Jensen stated a substantial cost of the program is the after school program; the funding addresses both the toddler and after school part of the program.

On the call for the question, the motion carried by unanimous voice vote – 5.

The School Board addressed the matter.

(10-462) Recommendation to Support Alameda Unified School District Special Legislation.

The Interim City Manager and Superintendent gave a brief presentation.

Board Member Jensen inquired whether the legislation would impact the City's ability to provide low- and moderate-income housing.

The Interim City Manager responded in the negative; stated the opposite would happen if an arrangement that would not jeopardize the School District is worked out; the City would have the money that has been taken out of the housing set aside fund for the School District; the City does housing; the question is whether complications for the District regarding the 80% funds would exist.

Board Member Jensen inquired whether the City's requirement to provide low- and moderate-income housing would be reduced, to which the City Manager responded in the negative; stated more dollars would be set aside for the City to do housing.

Board Member Jensen raised questions about amending the 1991 agreement and the School District General Counsel responded.

Board Member Jensen inquired whether a Senator or Assembly Member would carry the bill.

The Interim City Manager responded the bill would have go through the Assembly first; stated having the bill co-sponsored would be nice.

Councilmember Matarrese stated four points have been repeated at subcommittee meetings: 1) money provided should not penalize AUSD and result in a State take away of money; 2) the City should not be held liable for moving the money out of the Redevelopment Agency, either from the State taking redevelopment money or the City being expected to replenish the money; 3) the core mission of the School District is not to provide housing, which is a core mission of the City; and 4) the City should provide unencumbered money to the School District; further stated the crisis is kind of a good thing because action is occurring on items that have been discussed for two years.

Mayor Johnson stated the solution is fairly complex.

Councilmember L. Tam stated the draft resolution states the economic crisis is being faced because the federal government ceased funding when the Naval Air Station (NAS) closed; Congressman Stark has explained that students left when the NAS closed and funding came with the students; inquired how the School District has been restructured to account for losing said students and funding when the NAS closed; further stated the proposal was to have access to the funding earmarked for housing through sale of surplus property when the matter was reviewed two and a half years ago; then, the funds could be used by the School District in any way without penalties; the concept was that the Housing Authority would use the land to meet affordable housing requirements; inquired whether something changed and said option is no longer acceptable.

The Interim City Manager responded the City has looked at the idea of creating transactions whereby the City contracts and the School District gets money; stated the problem is it does not "clean" the money; staff has looked at numerous options, including contracting back with the Housing Authority; the money would still be housing dollars; a joint venture, even with a developer, did not pass according to redevelopment attorneys; the proposed legislation is the fastest, easiest solution; the legislature should look favorably on the matter, which is very unique.

The Superintendent stated the problem with the [land sale] idea is that the \$3 million [housing set aside] belongs to the School District and the property is owned by the School District; the funds should not come to the District through the sale of School District property.

Councilmember Tam inquired what about the NAS funding.

Mayor Johnson responded the State funding formula was set when Alameda still received the Navy subsidy, which is why Alameda's baseline is lower than other communities.

President Mooney stated school districts have sued the State; the State legislature will not bring forward equalization to get Alameda close to the amount received by other cities in Alameda County.

Mayor Johnson stated the problem is more districts benefit from current formulas, unlike Alameda.

Vice Mayor deHaan inquired whether special legislation allows school districts to use certain money for operations right now.

The District Legal Counsel responded there is legislation; stated the sale of real property is usually restricted from being used for operational purposes, but the legislature has suspended the provision.

Speakers: William Smith, Renewed Hope Housing Advocates; David Howard, Alameda; and Gretchen Lipow, Alameda.

Board Member McMahon reviewed the history of the School District funding.

Vice Mayor deHaan stated a question has been raised regarding the impact on the City's requirement to provide low- and moderate-income housing; inquired whether the matter has been flushed out.

The Interim City Manager responded going forward, the amount [currently for the District] would be freed up; stated the question is whether or not Council wants to off set the amount [currently for the District] with a share of the 80% in the future; the City's 20% [housing set aside] would not be reduced.

Vice Mayor deHaan inquired whether the City Attorney agrees.

The City Attorney responded in the affirmative; stated the tax sharing agreement is unique; normally, tax sharing agreements are not for 20% money; further stated special legislation reprogramming funds meant to be used for the School District does not impact the rights of the Guyton Settlement Agreement plaintiffs.

Vice Mayor deHaan inquired whether staff has gone through the review and feels comfortable, to which the City Attorney responded in the affirmative.

Vice Mayor deHaan stated the amount has grown for 20 years; questioned how the future will be handled.

The City Attorney stated the money set aside [for the District] pursuant to the tax sharing agreement could not have been accessed by the Guyton plaintiffs because the amount is for school uses; the City's ability to spend all of the 20% money for housing would increase if the [tax sharing] agreement can be amended so that the School District does not receive part of the 20% funds.

President Mooney requested District staff to ensure that the [Guyton Settlement] Agreement referenced by Mr. Smith is not an issue for the School District.

The District Legal Counsel stated the District is not a party to the litigation.

Mayor Johnson stated the School District had an interest in building affordable housing for teachers in the past; however, it is not practical or possible anymore.

Board Member Spencer addressed the agreements being referenced; stated both agreements should have been attached to the staff report for the public; requested the information be provided as soon as possible.

Board Member McMahon acknowledged Mr. Howard for his work; stated in addition to the housing fund, the School District has already received \$1 million in capital funds as a result of Mr. Howard's pursuit.

Board Member Jensen inquired whether the legislation would be a precedent or if other districts have done something similar.

The City Attorney responded the legislation is probably unique because the tax sharing agreement is unique; however, there is lots of precedent for getting special legislation to cure unique agency problems.

Board Member Jensen inquired whether the District would have received funds if the agreement had not been executed.

The City Attorney responded in the negative; stated the District would have been a tax sharing entity of the 80% redevelopment money; that she wants language included to make it clear that the State cannot use the funds to subsidize its obligation; statutes need to be referenced.

Vice Mayor deHaan inquired whether redevelopment money that goes to the School reduces the amount that comes from the State, to which the City Attorney responded in the affirmative.

The School Board addressed the matter.

Vice Mayor deHaan moved approval of the staff recommendation.

Councilmember Matarrese seconded the motion.

Under discussion, Mayor Johnson thanked City and School District staff; stated hopefully the money can go to the School District without subsidizing the State.

On the call for the question, the motion carried by unanimous voice vote – 5.

(10-463) Policy Discussion on Joint Use Agreement, including Capital Improvement to Alameda Unified School District (AUSD) High School Fields. RECOMMENDATION: Direct staff to finalize a joint use agreement between City of Alameda and AUSD with respect to joint use of Encinal and/or Thompson athletic fields, including an evaluation and recommendation for installation of artificial turf (all-weather/multi-purpose) fields at these sites.

The School District Director of Operations, Maintenance and Facilities and District Legal Counsel provided a handout and gave a brief presentation.

Councilmember Matarrese stated assurance that the City's contribution of improving the fields on School District property would not have any adverse impacts on the School District's revenue stream from the State is needed.

In response to Councilmember Gilmore's inquiry about the underlay, the Director of Operations, Maintenance and Facilities responded the issue would be addressed as part of the design; stated there are different types.

Councilmember Gilmore stated the longevity of the turf depends on the material that is underneath.

Councilmember Matarrese stated the Subcommittee has addressed the issue and has recommended that the specifications be for safety first, then longevity and quality.

President Mooney stated staff does not know whether or not there is sufficient funding for both fields; inquired whether the matter would be addressed.

The Interim City Manager responded \$2.1 million is needed for Encinal, including the track, and \$1.2 to \$1.3 million is needed for Thompson; stated the City has enough to cover Encinal and half of Thompson; one field can be done; fields can be used constantly; maintenance costs will be reduced and funds can be used to maintain grass fields.

Councilmember Matarrese stated the matter would come back with the figures; the staff report should address the investment being a savings in the long run.

President Mooney stated the process of jointly using facilities is moving forward; issues,

such as access to Encinal, will have to be addressed.

Mayor Johnson stated there would also be significant water savings.

Board Member Jensen inquired how much maintenance funding would be available to be used elsewhere, to which the Director of Operations, Maintenance and Facilities responded that he could provide said number.

In response to Mayor Johnson's inquiry regarding City funds that would be used, the Interim City Manager stated the budget includes a special capital improvement discretionary fund; the funds are from an Alameda Municipal Power \$1.2 million back payment, an assessment district administrative fee \$880,000 back payment, and the sale of the employee parking lot [on Lincoln Avenue] for \$750,000.

Vice Mayor deHaan stated that he has concerns about the other places the City could use the funding; further stated the Recreation and Parks Department provided a list of deficiencies; inquired why the City has not been able to use [School] facilities in the past; stated Thompson and Encinal fields have not been available to the City.

The Superintendent responded staff has made a commitment to review all of the joint uses; stated the swimming pool is another example; these [field] joint uses are step one; step two would be to look at every field.

President Mooney stated one issue has been the need to "rest" natural grass; the joint use agreement will create clear guidelines; taxpayers own the property, which should be put to the best use; lead time is needed in order to have the fields built in the summer.

Mayor Johnson stated water and maintenance savings would be economically beneficial and the community would benefit, too.

Vice Mayor deHaan stated the matter would come back to Council with more detail; further stated Alameda Point fields are other opportunities.

Board Member McMahon stated neighbors of Thompson field have opposed lighting the field and Saturday morning use.

Mayor Johnson stated the limitations at Thompson field are understood, which is why she prefers [improving] Encinal field.

Board Member Spencer stated involving the public is important; discussed the safety of artificial fields.

Councilmember Matarrese stated direction should be given today; that he concurs with the Mayor that the Encinal site is more conducive to continual use; safety data should be

presented to the public.

Vice Mayor deHaan stated artificial turf is where everything is going; the City leases fields; there are needs in the community; fields should not be leased to outside entities and should be for Alameda residents.

Mayor Johnson stated that she is not aware of groups not getting access to fields.

Board Member Jensen stated the recently formed athletic consortium, which includes all sports, should be part of the discussion and weigh in on the location.

Vice Mayor deHaan stated the City could receive \$250,000 for the Mif Golf Course; that he would like the Golf Course included in the process.

Mayor Johnson stated the matter is not on the agenda.

The School Board addressed the field issue.

Councilmember Matarrese moved approval of directing staff to work with the School District to get the necessary implementation of the agenda item scheduled with the concerns that have been addressed by Council regarding funding.

Councilmember Tam inquired whether the motion includes direction regarding public input, to which Councilmember Matarrese responded in the affirmative.

Mayor Johnson stated having the location issue resolved before the matter returns to Council would be great.

Councilmember Tam seconded the motion, which carried by unanimous voice vote – 5.

Board Member Spencer inquired how the public input would work; further inquired whether both agencies would hold community meetings.

Mayor Johnson responded the School District should be involved; stated staff would work with the sports groups.

The Superintendent stated the agencies would not engage the community separately.

President Mooney noted the School District has to send the project to Sacramento.

Councilmember Matarrese stated the fields would remain [in the present locations] regardless of the future school configuration.

Board Member Spencer stated it sounds like the City will engage the public.

The Interim City Manager stated the City would take the lead and orchestrate the public input process; the matter can return to the Council and School Board separately unless there are any glitches.

The Superintendent stated School District staff would work with the City to ensure all groups, such as booster groups, are engaged.

Board Member Spencer requested that the School Board receive notice of any meetings.

The School Board briefly addressed additional items.

ADJOURNMENT

There being no further business, Mayor Johnson adjourned the meeting at 12:05 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.